

Message Text

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ACTION STR-07

INFO OCT-01 STRE-00 ISO-00 AF-10 ARA-10 EA-10 EUR-12
NEA-10 OIC-02 AGRE-00 CEA-01 CIAE-00 COME-00
DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15
ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01 DOE-15
DOEE-00 IO-13 JUSE-00 /168 W
-----128248 281903Z /50

P 281653Z JUL 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 2662
INFO AMEMBASSY BRASILIA
AMEMBASSY BUENOS AIRES
AMEMBASSY ISLAMABAD
AMEMBASSY BELGRADE
AMEMBASSY KUALA LUMPUR
AMEMBASSY LAGOS
AMEMBASSY MEXICO
AMEMBASSY NEW DELHI
ALL OECD CAPITALS

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USMTN USEEC

ACTION STR FOR GREENWALD, LANDE, FEKETEKUTY, FLAIG

STR PASS CODEL

E.O. 11652
TAGS: ETRD, MTN
SUBJECT: FRAMEWORK GROUP MEETING JULY 21, 1978

REF: GENEVA 10895

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1. GATT DG LONG CONVENED PLENARY MEETING OF FRAMEWORK
GROUP, JULY 21, FOR GENERAL DISCUSSION OF ALL TOPICS IN
ATTEMPT TO IDENTIFY SINGLE DOCUMENT UNDER EACH TOPIC-
HEADING AS BASIS FOR FUTURE NEGOTIATIONS. OVER 45 DELS
TURNED OUT FOR MEETING BUT DISCUSSIONS WERE DOMINATED
BY USUAL LDC ACTIVISTS, IN PARTICULAR INDIA, PAKISTAN AND
BRAZIL. COMMENTS ON LDC SIDE WERE LARGELY REITERATIONS

OF PREVIOUSLY REPORTED POSITIONS; DC POSITIONS HELD FIRM. MOST DELS EXPRESSED SATISFACTION WITH PROGRESS OF LAST FEW MONTHS AND ENCOURAGEMENT ON PROSPECT OF CONCLUDING SUCCESSFUL FRAMEWORK PACKAGE THIS FALL. NEXT PLENARY SESSION SEPTEMBER 21.

2. ENABLING CLAUSE/RECIPROCITY/GRADUATION: DCS EACH RECOGNIZED MTN/INF/32 AS BASIS FOR NEGOTIATIONS; LDCS, INCLUDING INDIA, BRAZIL, YUGOSLAVIA, REGISTERED COMPLAINTS ON INF/32 SUPPORTING INSTEAD SECRETARIAT PAPERS ON ENABLING CLAUSE (INF/23/REV.1) AND ON RECIPROCITY/GRADUATION (INF/22/REV.1). IMPASSE, AS USUAL, WAS QUESTION OF RECIPROCITY/GRADUATION WHICH BECAME SUBJECT OF LONG, INCONCLUSIVE AND VERY GENERAL DEBATE PRINCIPALLY BETWEEN EC (LUYTEN) AND BRAZIL (MACIEL) ON NEED TO ASSUME OBLIGATIONS COMMENSURATE WITH DEVELOPMENT LEVELS. U.S. (MARK) NOTED "FUNDAMENTAL LINKAGE" BETWEEN ENABLING CLAUSE AND GRADUATION, REMINDING DELS VERY CONCEPT OF ENABLING CLAUSE HAS LONG BEEN A DIFFICULT ONE FOR U.S. WHILE INF/32 NOT "OFFERED ON TAKE IT OR LEAVE IT BASIS," U.S. ROOM FOR NEGOTIATION IS SLIM. MOST INTERESTING ASPECT OF DEBATE WAS CONTINUING SQUABBLE AMONG LDCS ON SPECIAL PROVISION FOR LEAST DEVELOPED COUNTRIES. INDIA, BRAZIL, KOREA AND YUGOSLAVIA CALLED INF/32 PROVISIONS FOR DIFFERENTIATION UNWORKABLE, LACKING CLEAR CRITERIA FOR DISTINGUISHING DEVELOPMENT LEVELS OPEN TO SUBJECTIVE AND ARBITRARY JUDGMENTS BY DONOR COUNTRIES. PAKISTAN LIMITED OFFICIAL USE

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AND NIGERIA, WITHOUT DIRECTLY CONFRONTING OTHERS, PRESSED NEED TO RECOGNIZE CATEGORIES WITHIN LDC GROUP BUT ALSO LABELED INF/32 PROVISION IN THAT REGARD "OPEN-ENDED, POTENTIALLY DISCRIMINATORY."

3. BALANCE OF PAYMENTS/DEVELOPMENT SAFEGUARDS: SECRETARIAT DRAFT ON ECONOMIC DEVELOPMENT SAFEGUARDS (MTN/INF/24/REV.1) DREW UNANIMOUS SUPPORT FROM LDC CONTINGENT; LIMITED DC COMMENTS ON SUBJECT NOTED THAT WHILE DOCUMENT POSED FUNDAMENTAL PROBLEM THEY WERE WILLING TO CONTINUE DISCUSSIONS IN FALL. ON BALANCE OF PAYMENTS, ALL DELS EXCEPT EC RECOGNIZED CURRENT TEXT (MTN/INF/25/REV.1) AS BASIS FOR GENERAL AGREEMENT. EC CONTINUED TO RESIST "ABSTENTION PLEDGE", LEGALIZATION OF NON-QR MEASURES. U.S. POINTED OUT CONTRADICTION IN EC'S OPPOSITION TO EXTENDING GATT COVER TO ALL TRADE MEASURES--ON GROUNDS THAT WOULD "ENCOURAGE THEIR USE"--COUPLED WITH REFUSAL TO PLEDGE RESTRAINT IN USE OF ALL TRADE MEASURES FOR BOP PURPOSES.

4. DISPUTE SETTLEMENT: SECRETARIAT COMPROMISE TEXT ON NOTIFICATION/CONSULTATION/DISPUTE SETTLEMENT

(MTN/INF/29/REV.1) GARNERED GENERAL SUPPORT FROM ALL
DELS EXCEPT EC WHICH NOTED IT HAD GENERAL RESERVATION ON
DOCUMENT. EC COMMENTED THAT PAPER HAD BEEN "OUT DATED"
BY DEVELOPMENTS IN OTHER MTN AREAS (SUBSIDIES/CVD DRAFT),
THEN REPEATED FAMILIAR OBJECTIONS TO NOTIFICATION/
CONSULTATION PROVISIONS, RIGHT TO PANEL, ETC. NOTING
PROGRESSIVE IMPROVEMENTS IN EACH PAPER ON SUBJECT, U.S.
SAID IN VIEW OF BROAD-BASED SUPPORT FOR SECRETARIAT
DRAFT WE TOO WERE PREPARED TO WORK WITH IT THOUGH SOME
ROOM FOR IMPROVEMENT REMAINS.

5. EXPORT CONTROLS: ALL DCS INCLUDING CANADA AND
AUSTRALIA EXPRESSED WILLINGNESS TO WORK WITH REVISED TEXT
(MTN/INF/20/REV.1) AS NEGOTIATING BASIS. CANADA STRESSED
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LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15
ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01 DOE-15
DOEE-00 IO-13 JUSE-00 /168 W

-----128264 281903Z /50

P 281653Z JUL 78

FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 2663
INFO AMEMBASSY BRASILIA
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USMTN USEEC

ACTION STR FOR GREENWALD, LANDE, FEKETEKUTY, FLAIG
STR PASS CODEL

THAT NEGOTIATIONS WITH JAPAN AND EC ON SUBSTANTIVE
REFORMS OF GATT PROVISIONS (PART B OF PAPER) LINKED TO
IMPROVEMENTS IN TARIFF OFFERS--A CONDITION IT SAID U.S.
HAS ALREADY MET. AUSTRALIA'S ACCEPTANCE EXPLICITLY
LIMITED TO PROCEDURAL IMPROVEMENTS (PART A OF PAPER).
AMONG LDCS, MEXICO, INDIA AND, FOR FIRST TIME, BRAZIL,
REJECTED DOCUMENT AS A WHOLE AS NEGOTIATING BASIS,
CALLING PAPER (IN MACIEL'S WORDS) "POLITICALLY,
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TECHNICALLY, AND ADMINISTRATIVELY IMPOSSIBLE." WE TERMED
LDC REACTION DISAPPOINTING AND UNFORTUNATE, PARTICULARLY
IN VIEW OF TOTAL ABSENCE OF LDC PROPOSALS ON SUBJECT
WHILE LDCS WERE CRITICIZING DCS' LACK OF ATTENTION TO
LDC NEEDS IN THIS AREA.

6. DG LONG CLOSED MEETING NOTING CONSENSUS TO TREAT AS
NEGOTIATING BASIS DOCUMENTS INF/24/REV.1, 25/REV.1, AND,
WITH EXCEPTION OF ONE DEL, 29/REV.1; LONG URGED DELS TO
WORK ON EXPEDITED BASIS IN BOTH BILATERAL AND PLURI-
LATERAL SETTING AND TO BE READY TO RECONVENE GROUP ON
SHORT NOTICE IN EARLY AUTUMN. MEETING DATE SUBSEQUENTLY
SET FOR SEPTEMBER 21.

7. DRAFTED BY ADDUCI MCDONALD

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 28 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978GENEVA11646
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780310-0679
Format: TEL
From: GENEVA
Handling Restrictions: n/a
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Litigation History:
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Office: ACTION STR
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Original Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
Reference: 78 GENEVA 10895
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Review Withdrawn Fields: n/a
SAS ID: 1846077
Secure: OPEN
Status: NATIVE
Subject: FRAMEWORK GROUP MEETING JULY 21, 1978
TAGS: ETRD, MTN
To: STATE
Type: TE
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